

BEST AVAILABLE COPY

25 Oct 60

Memorandum

For: []

From: []

Subject: MERTEN Affair

1. Just wanted to make this gratuitous comment on the case, after reading [] comments of 18 October.
2. A few years ago, it was determined that a special branch of the East German Intelligence Service engaged in covert PP-type work, and working under the control of the subversive section of the East German Communist Party, commenced a program of exploiting captured German documents (those Gestapo and Abwehr and also Nazi Party police/records which were not brought under the control of the "friendly" Allies) which were under the exclusive control of the Russians and Communists. The purpose of this exploitation was to collect all facts concerning now successful business or political figures of West Germany, which could be manipulated into either a blackmail weapon for recruitment leverage, or for the purpose of publicly exposing the "embarrassing" background of those persons in such a manner as to accomplish the Soviet and Communist PP objective of discrediting West German political as well as business and economic figures. We have seen significant successes on the West German scene in the past few years.
3. It occurs to me, suggested by the intense interest shown by bloc representative here in ~~the~~ not so much the MERTEN affair but in the local repercussions of the affair that MERTEN's exposures could well be one of the East German PP operations described above - especially considering the fact that one of the outstanding objectives of the bloc in Greece is to undermine and upset the existing Greek government.
4. It's just too bad we don't have some exploitable evidence of the above for counter propaganda use.